

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval of updates to
residential conservation programs, by Florida
Public Utilities Company and Florida City Gas.

DOCKET NO. 20260063-EG
ORDER NO. PSC-2026-0346-PAA-EG
ISSUED: September 30, 2026

The following Commissioners participated in the disposition of this matter:

GABRIELLA PASSIDOMO SMITH, Chairman
GARY F. CLARK
MIKE LA ROSA
BOBBY PAYNE
ANA ORTEGA

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING UPDATED RESIDENTIAL
NATURAL GAS CONSERVATION PROGRAMS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

BACKGROUND

On April 16, 2026, Florida Public Utilities Company (FPUC) and Florida City Gas (FCG) (hereinafter the Companies) filed a joint petition for approval of program modifications and addition of a new program offering to the Companies' natural gas conservation programs for residential customers. FPUC and FCG share a parent company, Chesapeake Utilities Corporation, and seek to consolidate overlapping programs for consistency and to utilize existing delivery infrastructure. Pursuant to Sections 366.80-366.83 and 403.519, Florida Statutes (F.S.), the Florida Energy Efficiency and Conservation Act (FEECA), the Florida Public Service Commission (Commission) has the authority to oversee natural gas conservation programs. The Commission most recently approved modifications to the residential gas conservation programs for the Companies in 2010.¹

We have jurisdiction over this matter pursuant to Sections 366.80 through 366.83 and 403.519, F.S.

¹ Order No. PSC-10-0551-PAA-EG, issued September 2, 2010, in Docket No. 20100186-EG, *In re: Petition for approval of natural gas residential energy conservation programs, by Associated Gas Distributors of Florida*.

DECISION

In its April 16, 2026, petition, the Companies requested approval for: (1) modification and renaming of their existing residential customer energy survey programs to Efficiency First; (2) a new residential low-income program, Efficiency for All; (3) and modifications to their existing residential customer rebates for the New Construction, Existing Customer Retention, and Electric-to-Gas Replacement (Retrofit) programs. On July 24, 2026, the Companies filed a second revised petition which updated values in the cost-effectiveness calculations.² Per the petitions, the Companies' proposed program modifications are based upon shifting market conditions, equipment costs, and efficiency standards. In addition, standardizing the programs amongst the Companies allows for administrative efficiency.

Although the Companies are not subject to FEECA, both voluntarily offer gas programs under FEECA. Therefore, pursuant to Rule 25-17.015, Florida Administrative Code (F.A.C.), the Companies may recover the costs associated with implementing approved programs.

Efficiency First Program

The Companies' existing Residential Customer Survey program was intended to provide customers with a cost-free energy audit in accordance with Rule 25-17.003, F.A.C. Through this program, participating customers may have their residence surveyed by utility personnel or an approved contractor who will identify personalized energy saving measures for the customer's needs. The Efficiency First program modifies the Residential Customer Survey program by adopting an online self-service model that allows customers the option to complete an online survey that assesses energy usage and provides personalized recommendations for energy saving improvements rather than require an in-home survey. Upon completion of the survey, customers would be provided a weatherization kit for self-installation and a smart home energy kit upon verification of the previous kit's installation to further incentivize energy saving measures. Weatherization kits include weatherization and water conservation measures such as a high-efficiency showerhead, faucet aerators, pipe insulation, and foam weatherstripping. The smart home energy kits provide additional conservation measures such as a smart thermostat, a five-minute shower timer, and a hot water gauge card. The Companies provided a program participation forecast, anticipating approximately 150 participating customers by the end of 2027, with an additional 50 customers annually as program awareness and customer engagement increases. These modifications mirror those previously approved for FPUC's electric Efficiency First Program.³

We find that the Efficiency First program furthers the goals of FEECA. Pursuant to Section 366.82, F. S., and Rule 25-17.003, F.A.C., utilities are required to offer energy audits to residential customers, which the Companies will conduct through the Efficiency First Program. FEECA emphasizes reducing the growth rate of peak demand and electricity usage and increasing the efficiency of the production and use of electricity and natural gas, and customers

² Document No. 04651-2026, filed July 24, 2026, in Docket No. 20260026-GU.

³ Order No. PSC-2025-0091-PAA-EG, issued March 24, 2025, in Docket No. 20240170-EG, *In re: Petition for approval of proposed demand-side management plan, by Florida Public Utilities Company.*

that participate in the program benefit through increased knowledge of conservation opportunities and possible rebates on energy saving equipment, and direct benefits from energy-saving equipment provided in the weatherization kits, resulting in potential bill reduction.

Efficiency for All Program

The proposed Efficiency for All program is designed to deliver weatherization measures to households that lack the financial means to participate in other programs. Similar to the Efficiency First program, eligible customers enroll by completing an online survey and, upon completion, are provided a weatherization kit and smart home energy kit. Unlike the Efficiency First program, Efficiency for All participants will have provided kits installed by contractors in neighborhood-based rollouts. Program participation is limited to low-income housing developments, multifamily buildings, or similar residential complexes, with administrative approval from building owners, with priority given to communities with the greatest need and readiness to participate. The Companies provided a program participation forecast, anticipating approximately 100 participating customers by the end of 2027, with an additional 50 customers annually as program awareness and customer engagement increases. The new program for the Companies mirrors the previously approved Efficiency First program for FPUC's electric.⁴

We find that the Efficiency for All program furthers the goals of FEECA. Low-income customer participation in energy conservation programs, such as the Efficiency for All program, furthers the intent of FEECA by encouraging potential demand and energy reduction in Florida. Customers that participate in the program benefit through increased knowledge of conservation opportunities and possible rebates on energy saving equipment, and direct benefits from energy-saving equipment provided in the weatherization kits, resulting in potential bill reduction.

Residential Rebate Programs

The Companies also requested to modify three residential conservation rebate programs, which will now be known as New Construction, Existing Customer Retention, and Electric-to-Gas Replacement (Retrofit). These replace the Full House Residential New Construction, Residential Appliance Retention, and Residential Appliance Replacement programs, which were last changed in 2010.⁵ The Companies' proposed modifications to increase rebates for appliances are based upon current market conditions.

The Companies proposed modifying their residential conservation strategies, which are centered around the New Construction, Existing Customer Retention, and Electric-to-Gas Replacement (Retrofit) rebate programs. The Companies indicate: (1) the New Construction rebates encourage gas adoption from partnerships with builders; (2) the Retention rebates reward customers who upgrade to high-efficiency or ENERGY STAR-rated systems; and (3) the

⁴ *Id.*

⁵ Order No. PSC-10-0551-PAA-EG, issued September 2, 2010, in Docket No. 20100186-EG, *In re: Petition for approval of natural gas residential energy conservation programs, by Associated Gas Distributors of Florida*.

Replacement/Retrofit rebates offset electric-to-gas conversion costs. Table 1 below shows the proposed changes to the New Construction, Retention, and Retrofit rebate programs, respectively.⁶

Table 0
Residential Rebate Program Changes

Appliance/Program	Current Rebate (\$)	Proposed Rebate (\$)	Difference (\$)
Residential New Construction			
Water Heating – Tankless	\$550	\$850	\$300
Water Heating – Tank	\$350	\$700	\$350
Water Heating – ENERGY STAR/High-Efficiency	\$400	\$750	\$350
Furnace	\$500	\$700	\$200
Cooking Equipment	\$150	\$315	\$165
Clothes Dryer	\$100	\$200	\$100
Residential Existing Customer Retention			
Water Heating – Tankless	\$550	\$600	\$50
Water Heating – Tank	\$350	\$400	\$50
Water Heating – ENERGY STAR/High-Efficiency	\$400	\$450	\$50
Furnace	\$500	\$550	\$50
Cooking Equipment	\$100	\$315	\$215
Clothes Dryer	\$100	\$175	\$75
Residential Electric-to-Gas Replacement			
Water Heating – Tankless	\$675	\$750	\$75
Water Heating – Tank	\$500	\$600	\$100
Water Heating – ENERGY STAR/High-Efficiency	\$550	\$700	\$150
Furnace	\$725	\$725	\$0-
Cooking Equipment	\$200	\$315	\$115
Clothes Dryer	\$150	\$200	\$50

The Companies presented a program participation forecast for the expected participation trends across the New Construction, Retention, and Replacement/Retrofit rebate programs. By the end of 2027, the Companies anticipate approximately 11,420 participants in the New Construction program, 3,940 participants in the Existing Customer Retention program, and 840 participants in the Electric-to-Gas Replacement program. The Companies then expect participation in each rebate program to grow at a 1.5 percent annual growth rate.

One objective of FEECA is to facilitate our consideration of the need for incentives to promote customer-owned energy efficiency when establishing energy conservation goals. Although FCG and FPUC are not subject to FEECA, their residential conservation rebate

⁶ In subsequent filings dated June 16, 2026, and July 24, 2026, the Companies revised their proposed rebates for the Cooking Equipment programs. The rebate values presented herein reflect the most recent modifications included in those filings.

programs provide direct energy and cost savings associated with the installation of more efficient natural gas appliances.

Cost-Effectiveness Review

As required by Rule 25-17.009, F.A.C., the Companies provided a cost-effective analysis of the proposed program using the Gas Rate Impact Measure (G-RIM) Test and Participants Tests. These tests consist of the program benefits divided by the program costs, so that programs are determined to be cost-effective if the result of the test is a ratio greater than 1.00. We reviewed the cost-effectiveness analysis conducted for each program and found that the data sources were reasonable, and the tests were conducted as instructed by Rule 25-17.009, F.A.C.

Efficiency First and Efficiency for All Programs

The Companies selected AM Conservation Group to supply the weatherization and smart home energy kits for both the Efficiency First and Efficiency for All programs to standardize kit contents and costs. Franklin Energy Services was selected to coordinate customer enrollment, verification of customer self-installation, and participation reporting for the Efficiency First program based on the existing contract supporting the 2025 electric conservation portfolio. The Efficiency for All program will utilize qualified third-party contractors for verification and installation service for eligible low-income participants.

Based on the Companies' analysis, both the Efficiency First program and the Efficiency for All program pass the Participants Test because both the weatherization kit and smart home energy kit are provided to eligible customers at no cost. However, neither program passes the G-RIM test. We note these results are similar to FPUC's previously approved electric Efficiency First and Efficiency for All programs.⁷

As described previously, the Efficiency First program and the Efficiency for All program serve as customer education and engagement programs rather than traditional load reduction programs. Therefore, we find that the Efficiency First and the Efficiency for All programs further the goals of FEECA and should be approved despite failing the G-RIM test. We also note that we have previously approved electric conservation programs that have not passed all cost-effectiveness tests to comply with the requirements of Order No. PSC-14-0696-FOF-EU to assist and educate low-income customers.⁸

⁷ See Order No. PSC-2025-0091-PAA-EG, issued March 24, 2025, in Docket No. 20240170-EG, *In re: Petition for approval of proposed demand-side management plan, by Florida Public Utilities Company*.

⁸ See Order No. PSC-15-0331-PAA-EG, issued August 19, 2015, in Docket No. 20150085-EG, *In re: Petition for approval of Florida Power & Light Company's demand-side management plan and request to cancel closed on call tariff sheets.*; and Order No. PSC-14-0696-FOF-EU, issued December 16, 2014, in Docket No. 20130199-EI, *In re: Commission review of numeric conservation goals (Florida Power & Light Company)*.

Residential Rebate Programs

To perform the cost-effectiveness calculations for the residential rebate programs, the Companies commissioned outside utility consultant Tactical Energy Solutions, LLC (Tactical Energy Solutions). The analysis was conducted using a comprehensive cost-effectiveness assessment tool developed by the Florida Solar Energy Center at the University of Central Florida. The tool utilizes utility rate structures, service-main and customer-charge data, administrative and operation and maintenance expenses, depreciation, program implementation costs, equipment performance and installation costs, fuel-rate assumptions, and avoided cost calculations for performing the Participants and G-RIM Tests based on a 20-year analysis period. Electric rate structures from Florida Power & Light, Duke Energy, and Tampa Electric Company, originating from each company's rate tariffs, were used to calculate both the numerical and weighted average costs of electricity for residential (RS-1) customers. Additionally, natural gas rates from FPUC and FCG were used to calculate the numerical and weighted average costs of gas for RS-1 customers. Connection charges were not included in the analysis. Natural gas cost data was provided by the Companies and Tactical Energy Solutions. Program implementation and equipment installation costs were also provided by Tactical Energy Solutions. The appliance average service lives originated from the March 2023 Updated Buildings Sector Appliance and Equipment Costs and Efficiencies Report by the U.S. Energy Information Administration. The equipment costs were referenced from a range of sources.

Based on the cost-effectiveness test results presented in Table 2 below for the New Construction, Existing Customer Retention, and Electric-to-Gas Replacement (Retrofit) rebate programs, respectively, each appliance for each rebate program passed the Participants and G-RIM Tests with scores greater than 1.0. As such, the Companies' proposed modifications to the residential conservation rebate programs are both cost-effective and beneficial to its participating customers.

Table 2
Cost-Effectiveness Test Results

Appliance/Program	Participants Test	G-RIM Test
Residential New Construction		
Water Heating – Tankless	3.430	1.260
Water Heating – Tank	2.070	1.340
Water Heating – ENERGY STAR/High-Efficiency	2.620	1.200
Furnace	1.730	1.050
Cooking Equipment	1.320	1.024
Clothes Dryer	1.802	1.015
Residential Existing Customer Retention		
Water Heating – Tankless	3.360	1.460
Water Heating – Tank	1.990	1.600
Water Heating – ENERGY STAR/High-Efficiency	2.520	1.470
Furnace	1.655	1.215
Cooking Equipment	1.342	1.049
Clothes Dryer	1.778	1.119
Residential Electric-to-Gas Replacement		
Water Heating – Tankless	3.400	1.310
Water Heating – Tank	2.040	1.390
Water Heating – ENERGY STAR/High-Efficiency	2.610	1.230
Furnace	1.740	1.040
Cooking Equipment	1.320	1.027
Clothes Dryer	1.802	1.020

Ratepayer Impact

The Companies provided potential customer rate impacts under an Energy Conservation Cost Recovery (ECCR) scenario analysis. The purpose of the ECCR scenario analysis was to explore how program consolidation and existing infrastructure could be leveraged to yield administrative efficiency gains to reduce the overall program cost impacts as program scale increases. The ECCR charge impacts resulting from various efficiency gains reflect administrative cost reductions associated with consolidation, standardized program design, and the use of existing delivery infrastructure. The Companies estimated the collective incremental program costs savings assuming 0 percent, 5 percent, and 10 percent efficiency improvements for administrative costs.

Under the scenario with no efficiency improvements, the modified residential conservation programs are expected to result in incremental annual program costs of up to approximately \$35,000 for Efficiency First, \$45,000 for Efficiency for All, and \$2,428,000 in rebates for all three residential rebate programs combined. The programs would have an estimated incremental net impact of \$3.81/year for a residential customer using 10 therms/month.

Under the highest efficiency scenario, 10 percent, the Companies estimated a net incremental cost of \$1,910,995, and an impact of \$3.00/year for a typical residential customer.

Conclusion

We find that the Companies' residential program modifications be approved as they further the goals of FEECA. The administrative changes to the residential survey program Efficiency First and low-income program Efficiency for All will educate customers and provide resources to improve energy efficiency, while the rebates for the residential appliance programs will encourage direct efficiency measures.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Joint Petition of Florida Public Utilities Company and Florida City Gas for Approval of Updates to Residential Conservation Programs is approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

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By ORDER of the Florida Public Service Commission this 30th day of September, 2026.



ADAM TEITZMAN
Commission Clerk
Florida Public Service Commission
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

TPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action proposed herein approving the Joint Petition of Florida Public Utilities Company and Florida City Gas for Approval of Updates to Residential Conservation Programs is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 21, 2026. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Office of Commission Clerk and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.